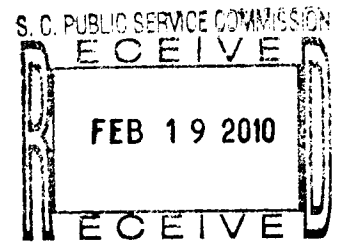


221756



COLLUM'S LUMBER PRODUCTS, L.L.C.



February 18, 2009

Public Service Commission of South Carolina
101 Executive Center Drive
Synergy Business Park
Columbia, SC 29210

Re: Retail Electric Rate Application
South Carolina Electric & Gas Company
Docket Number 2009-489-E

We have reviewed the proposed rate request and justification from SCE&G. The rate increase will place an additional economic burden on South Carolina's industrial customers. As a major employer in one of the State's most depressed counties, we are hard-pressed to understand the timing and amount of the requested increase. Rather than focusing on expansion and job creation, we are concerned with additional cost with no benefit to our business.

If SCE&G is indeed trying to recover \$700 million in federally mandated environmental and safety initiatives, what set of rules are they trying to comply with? With some degree of certainty, there will be a new set of rules as renewable portfolios are developed. Does that mean a new request to address those requirements?

With a major presence in the forest products industry in South Carolina, we are engaged in ongoing discussions with businesses that are willing to invest in facilities to generate electricity from renewable sources, primarily biomass. At each juncture, the hurdle that cannot be overcome is the "Avoidable Cost" rate that SCE&G is required to pay for the electricity that is below the cost of generation. With the rate as a shield, the projects never progress past the discussion phase. The rate is well below what is available in other states in our region. Therefore, the investment and the jobs are going to those states that are taking a longer term view.

We respectfully request that the rate increase be denied. Also, a review of the "Avoidable Cost Rate" should take in consideration the total cost of generation. If we are being asked to pay more for electricity to meet environmental and safety mandates, that cost should also be considered.

Mitchell S. Scott, President
Collum's Lumber Products, LLC